



Indiana Office of Technology  
Powering a State that Works



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To: All Executive Branch Agencies

From: Lesley A. Crane and Dewand Neely *[Handwritten signatures]*

cc: Erin Kellam, Robert Paglia, and Alvin Wilson

Subject: Payment Processing

Date: December 12, 2018

This memo will replace the previously distributed memo (found here: <https://www.in.gov/iot/2832.htm>) regarding Payment Processing, which was released in June, 2017 by Indiana Office of Technology (IOT) and Indiana Department of Administration (IDOA).

Currently, in the State of Indiana, there are two payment processors: Value Payment Systems (VPS) and Indiana Interactive (II). Agencies can choose to work with either vendor to best fulfill their payment processing needs. The current II contract (#23283) expires October 24, 2021. IDOA will extend the VPS contract (#12949) to align with II's expiration.

For agencies with new products or those considering switching processors, IOT and IDOA will meet with the agency, gather requirements and create personalized price quotes for each vendor. The goal is to ensure that each application receives an individualized quote, since II and VPS differ in pricing models, then agencies can select which processor benefits them and the public the most. In some cases, it may make sense for an agency with multiple payment applications to use both processors; for example, II for one and VPS for the other. **Note: The payment model in the II contract provides for some proceeds from payment processing to fund services from IN.gov, such as GovDelivery, calendar.IN.gov, live chat, the Content Management System, etc. A large dollar shift in transactions away from II may result in a reduction of IN.gov services.**

During this extension period, IDOA and IOT will work to complete a solicitation that encompasses all of the State's payment processing needs. Though customers were involved in the previous solicitation, a more comprehensive review of customer needs will be conducted during the RFP development and evaluation process. As a result of this solicitation, a new payment processing contract will be awarded, with the potential for multiple winners.

In the interim, the State of Indiana will continue to have two payment processors, VPS and II. The State of Indiana appreciates the partnership of both companies.